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HOUSE CLOSES CORPORATE TAX LOOPHOLE

~Measure Helps Generate Revenue, Economic Growth~

TALLAHASSEE, FL – House Majority Whip Carlos Lopez-Cantera (R-Miami) today lauded the unanimous passage on the House Floor of Senate Bill (SB) 2430, known as the Crescent Fix. Lopez-Cantera issued the following statement:

“I believe it’s important to take a fiscally responsible long-term view that puts Florida in the best shape possible to rebound when the economy picks up. This bill is a significant step in that direction. This bi-partisan measure will close a corporate loophole created by the Florida Supreme Court’s *Crescent* decision, and by doing so, will generate millions of dollars in lost revenue for the State during these difficult economic times. In addition, this bill will extend the Miami-Dade County Affordable Documentary Surtax Program which provides millions of dollars to help finance the construction, rehabilitation and purchase of housing for low-income and moderate-income families in Miami-Dade County.”

SB 2430 closes a tax avoidance technique made possible by the Florida Supreme Court’s decision in the *Crescent* case. The bill closes this loophole by imposing tax on the transfer of ownership interests in artificial entities (Corporations, Limited Liability Companies, etc) that acquire real property in transactions that are not subject to the documentary stamp tax. The tax applies only if the ownership interest is transferred within 3 years of the date the real property was acquired by the artificial entity. The goal of the bill is to impose the documentary stamp tax if the beneficial ownership of real estate is transferred to a new owner within a 3-year period.

Furthermore, SB 2430 extends the Miami-Dade Affordable Housing Documentary Surtax Program through October 1, 2031. This program is limited solely to Miami-Dade County and helps finance the construction, rehabilitation and purchase of housing for low-income and moderate-income families.

The bill now returns to the Senate for consideration.

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